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Digital Garage Group's QR Code Payment Business, Driven by "Cloud Pay," Surpasses JPY 1 Trillion in Transaction Volume and Expands at 1.7 Times the Market Growth Rate

Toward Next-Generation Commerce Infrastructure Through a "Payments × AI × Data" Strategy

Digital Garage, Inc. and its payment subsidiary DG Financial Technology, Inc. ("DGFT") announced the aggregated results for payment transaction volume and market share over the past three years for the Cloud Pay series, one of Japan's largest bundled QR code payment services, for which the Digital Garage Group holds patents.

Based on these results, the companies will also report on the current state and future outlook of cashless payment adoption, to which the Cloud Pay series contributes, along with an overview of trends in the QR code payment market.

In addition, DGFT will outline its new strategy to build a next-generation commerce platform that integrates wallets, data, marketing, and AI, with payments as its starting point, as well as its future outlook for this initiative.



■ Transaction Volume Surpasses JPY 1 Trillion, Expanding Rapidly at About 1.7 Times the Market Growth Rate(Chart 1)

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DGFT's QR code payment transaction volume surpassed JPY 1 trillion for the first time in 2025. The compound annual growth rate (CAGR) for the most recent three-year period, from 2022 to 2025, reached 48%, representing approximately 1.7 times the market growth rate of 28% CAGR.*¹ This demonstrates the continued steady expansion of DGFT's QR code payment business.

■ Background to the Growth

This growth has been driven by DGFT's continued expansion into priority areas with significant room for cashless adoption, achieved by leveraging a payment infrastructure that supports a wide range of payment brands and offers numerous locations where it can be used.

DGFT supports approximately 40 major domestic and international QR code payment brands, including PayPay, au PAY, d payment (d Barai)[®], Rakuten Pay, and Alipay+, providing a payment infrastructure that enables merchants to adopt multiple brands on a one-stop basis. It has also established connectivity with Square*², one of the world's largest payment platforms, and the number of locations in Japan where QR code payments can be used has surpassed 1.14 million across the Group as a whole.

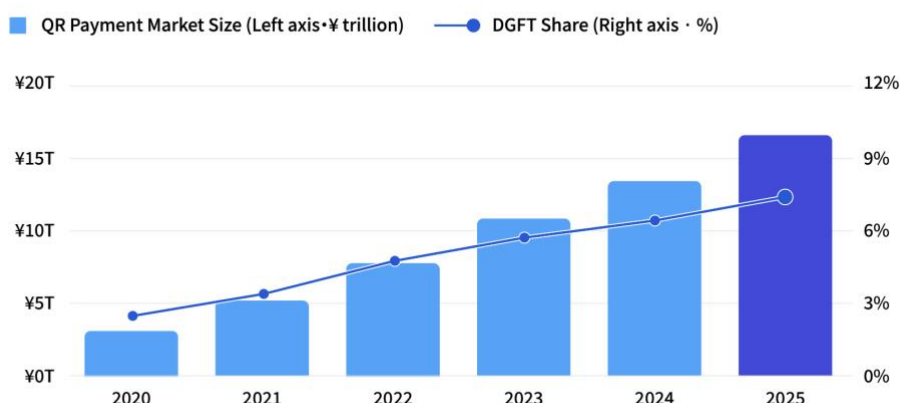
■ Expansion into Adjacent Solutions Anchored by Cloud Pay and Growth Strategy

By leveraging a payment infrastructure that supports a broad range of payment brands and offers an extensive network of available locations, the Digital Garage Group has expanded QR code payment transaction volume at a pace that outpaces market growth through continued expansion into priority areas.

Going forward, the Group will continue to pursue transaction-volume growth and further gains in market share in this field. At the same time, through collaboration with strategic businesses such as DG Bank, the Group will expand the scope of offerings anchored by the Cloud Pay series into marketing support, greater efficiency in store and facility operations, and support for digital transformation oriented toward AI and data utilization. Through these initiatives, the Group will work to build a multilayered revenue model that combines payment processing fee income with revenue from adjacent solutions.

(Chart 1)

QR Code Payment Market Size and DGFT Share Trends



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Source: Market size data from the Ministry of Economy, Trade and Industry; DGFT market share based on Company research.

■ Approaching a Massive White Space Worth Approximately JPY 9 Trillion, Where Cash Payments Remain Prevalent

Japan's cashless payment ratio continues to rise, and the code payment market, including QR code payments, reached JPY 16.6 trillion in 2025^{*3}, making this a field where continued growth is expected. Code payments have spread primarily through face-to-face transactions at retailers, restaurants, and similar venues, but in recent years their adoption has been expanding into areas where cash payments and individualized operational workflows have tended to remain.

Against this market backdrop, DGFT has worked in earnest since 2022 to expand its QR code payment services through the Cloud Pay series. In addition to established areas such as food service and retail, adoption is broadening across a vast white space where cash payments and individualized operational workflows are said to persist. This includes on-site services, such as home visits and field services (market size: approximately JPY 4.0736 trillion)^{*4}, the education-related market such as kindergartens and childcare-related facilities (market size: approximately JPY 2.5 trillion)^{*5}, the vending machine market (market size: approximately JPY 2 trillion)^{*6}, and the amusement market (market size: approximately JPY 720 billion)^{*7}. DGFT is advancing deployment in these areas in ways that are tailored to each industry's characteristics and on-site operations.

<Adoption Examples by Industry>

● Parking

Through a partnership with an [operator engaged in mobility-related services \(Japanese only\)](#), DGFT has rolled out a solution for small-scale parking lots that enables users to complete the entire process, from parking use to payment, on their smartphones.

● On-site visit services

DGFT provides "Cloud Pay Neo" for a [home-visit appliance repair service \(Japanese only\)](#), enabling cashless payment acceptance at the point of visit.

● Education

Beyond making fee-collection work more efficient for a [service that sells supplies to childcare and educational facilities](#), Cloud Pay is also used by [university sports teams \(Japanese only\)](#) to collect team dues and payments for game tickets, supporting the digital transformation of payment operations in the education field.

● Vending machines

By implementing Cloud Pay in [payment terminals for automatic service machines](#), DGFT supports the introduction of cashless payments to vending machines and similar equipment.

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The Digital Garage Group is also engaged in marketing and digital transformation support that leverages payment touchpoints.

It is expanding adoption primarily in the amusement field, including helping to strengthen customer touchpoints through coupon distribution and store-visit promotion services that utilize LINE.

<Examples of Value-Added Offerings in the Amusement Field>

- **Sales promotion support through a proprietary wallet, points, and customer management**

In collaboration with group company Pocket Change, Inc., DGFT provides a [digital wallet function](#) that integrates payments, proprietary points, and customer management, supporting improvements in customer experience, the encouragement of repeat visits and continued use, and the application of these capabilities to sales-promotion and marketing initiatives.

- **Support for labor savings and more efficient store operations**

At large-scale amusement facilities, DGFT provides a cashless payment mechanism that requires no dedicated payment terminals, rolling out [initiatives to reduce operational effort at stores](#), such as currency exchange and the issuance and top-up of proprietary in-store value. This lightens the operational load on store staff while also delivering a smooth payment experience for users.

- **Driving store visits and strengthening customer touchpoints using LINE and other tools**

Through coupon distribution and store-visit promotion services that utilize LINE, DGFT [helps strengthen customer touchpoints \(Japanese only\)](#) in visit-based services. By combining payment flows with promotional flows, these initiatives contribute to ongoing communication after payment and encourage repeat visits.

Through these initiatives, DGFT will further enhance the value delivered by the Cloud Pay series by combining it with technologies such as AI. DGFT will provide integrated support spanning greater efficiency in store and facility operations, sales promotion and store-visit promotion, stronger customer touchpoints, and data utilization. Through these efforts, DGFT aims to support the business growth of its clients while expanding a multilayered revenue model in its payment business.

Going forward, the Digital Garage Group will continue to position DGFT as a core function responsible for next-generation payment and commerce infrastructure, working to expand its payment infrastructure and enhance its profitability while capturing growth in the QR code payment market.

*1 March 31, 2026, Ministry of Economy, Trade and Industry news release: [2025 Ratio of Cashless Payment Among the Total Amount Paid by Consumers Calculated](#)

*2 September 25, 2024, press release: [DGFT's Integrated QR Code Payment "Cloud Pay" Now Compatible with Square, One of the World's Largest Payment Platforms](#)

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*3 March 31, 2026, Ministry of Economy, Trade and Industry news release: [2025 Ratio of Cashless Payment Among the Total Amount Paid by Consumers Calculated](#)

*4 Includes plumbing repairs, house cleaning, and renovation. DGFT estimate based on “Nikkei NEEDS Industry Report: Housing Services” (Nikkei Inc.), “Trends in Door-to-Door Sales Revenue” (Japan Direct Selling Association), “Home Renovation Market 2023” (Yano Research Institute Ltd.), and [“Corporate Research Report: Aqualine \(6173\)”](#) (FISCO Ltd.; Japanese only)

*5 DGFT estimate based on “Survey of Household Expenditures on Education per Student” (Ministry of Education, Culture, Sports, Science and Technology) and “Childcare & Infant Education Market in Japan: Key Research Findings” (Yano Research Institute Ltd.)

*6 DGFT estimate based on the “Current Survey of Selected Service Industries” (Ministry of Economy, Trade and Industry) and “Contactless Technology Implementation Strategy” (Nikkei Business Publications, Inc.)

*7 “Survey Report on the State of the Amusement Industry, FY2023 Edition” (Japan Amusement Industry Association)

■ About the Cloud Pay Series

The Cloud Pay series is one of Japan’s largest payment platforms for bundled QR code payment services, enabling merchants to accept multiple payment brands through a single contract with DGFT. The series includes [Cloud Pay](#) (Patent No. 7303664), which supports various code payments simply by having customers scan an in-store QR code with their smartphones, as well as [Cloud Pay Neo](#) (Patent No. 7641080), which supports not only QR code payments but also a wide range of payment methods such as credit card payments.

Because businesses can accept payments from multiple brands on a one-stop basis, without completing separate contract procedures for each payment brand, they can build a highly convenient payment environment while keeping the burden of implementation and operation low. Adoption is spreading across a wide range of industries and business types, including retailers, restaurants, parking lots, amusement facilities, childcare and educational facilities, and home-visit services.

In addition to payment services, the Cloud Pay series provides comprehensive support for businesses through Cloud Pay REGI, which links with automated payment machines and cash register functions to enable cash payments as well, and [Cloud Pay Marketing](#), which supports promotion and store-visit generation by leveraging payment touchpoints. Through these services, the series helps businesses improve operational efficiency, promote sales, attract customers, and strengthen customer touchpoints.

About DG Financial Technology, Inc.

Name: DG Financial Technology, Inc.

Representative: Keizo Odori, Representative Director, President and CEO

Head office: DG Bldg. 3-5-7 Ebisu Minami, Shibuya-ku, Tokyo

Date founded: April 1997

Business: DGFT provides various cashless payment solutions such as credit card, QR code, and others to more than 1.3 million online and offline locations of merchants across Japan. In addition to the payment service provider business, DGFT also provides e-commerce infrastructure, marketing tools, fraud detection

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solutions, and other services in collaboration with the Digital Garage Group and strategic partners to support various businesses in their efforts to go cashless and promote digital transformation.

Registrations:

- Registered as an electronic payment agency or intermediary
- Registered fund transfer operator
- Registered business operator for handling credit card numbers and similar data

URL: <https://company.dgft.jp/>

About Digital Garage, Inc.

Name: Digital Garage, Inc.

Representative: Kaoru Hayashi, Representative Director, President Executive Officer and Group CEO

Head office address: DG Bldg., 3-5-7 Ebisu Minami, Shibuya-ku, Tokyo

Shibuya PARCO DG Bldg., 15-1 Udagawa-cho, Shibuya-ku, Tokyo

Date founded: August 1995

Digital Garage, Inc. is the leading payment service provider in Japan. With the corporate purpose of “Designing ‘New Context’ for a sustainable society with technology,” Digital Garage operates payment business services for various comprehensive payment platforms in Japan. Digital Garage also runs a marketing business providing one-stop solutions in both the digital and real worlds, as well as a startup investment and development business for approaching promising startups and technologies in Japan and overseas. Digital Garage is listed on the Tokyo Stock Exchange Prime Market (TSE Prime: 4819). For more on Digital Garage, visit garage.co.jp/en

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